(d) Adoption of double line machine stitching of bags.

(e) Induction of Central Industrial Security Force at vulnerable depots to curb theft and pilferage.

(f) To streamline procedure and documentation for transporency and accountability in operations at each level.

(g) Special squad checking at selected railhead, transhipment and destination/despatch centres.

(h) Identification of vulnerable points.

(i) Speed up fixation of responsibility and recoveries of the losses wherever called for.

(j) Inspection of depots by Senior Officers and Headquarters, Zonal Managers/Senior Regional Manager/District Managers.

(k) Regular inspection of weighbridges.

(I) Improvement in size and quality of gunnies.

(m) Three-tier system of audit i.e. Internal, Statutory and CAG.

Sugar Development Fund

1660. SHRI AIMADUDDIN AHMED KHAN (DURRU): DR. AKHILESH DAS:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Sugar Development Fund failed in respect of all of its objectives during 1995—2001 mainly Modernisation and cane development wherein 39 of the 64 cases no loan was released and short-term loans for providing inputs like seeds, fertilizers and pesticides;

(b) if so, whether no mechanism was in place to assess the progress of implementation of the projects and schemes and if so, the reasons therefor; and

(c) the steps taken to carry out the purposes of the funds during 2001 - 2002 and 2002-2003 and the achievements in respect of each scheme during these years?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) During the period 1.4.1995 to 31.3.2001 the amount of loans sanctioned from the Sugar Development Fund (SDF) for cane development and modernisation was Rs. 831.68 crores out of which the amount disbursed was Rs. 745.34 crores.

The amount of sanctioned loans from the SDF to the sugar factories since 1985-86, the year in which the loans were first sanctioned, till 2000-2001, was Rs. 1505.88 crores for both modernisation & cane development. When compared with the total amount of loan sanctioned from the SDF since 1985-86 to 2000-01 at an average of Rs. 94.12 crores per year, the amount of loans sanctioned from 1.4.95 to 31.3.2001 averaged at Rs. 138.61 crores per year.

The amount of loan disbursed from the SDF to the sugar factories (for both modernisation & cane development) since 1985-86 to 2000-01 was Rs. 1428.93 crores, at an average of Rs. 89.31 crores per year. Compared to this, the amount of loan disbursed from 1.4.95 to 31.3.2001 averaged at Rs. 124.22 crores pSf year.

As far as loan for modernisation in the period 1.4.1995 to 31.3.2001 is concerned out of 71 cases approved, in 6 cases no instalment of the loans was disbursed. Out of these 6 cases, in two cases, the sugar mills themselves requested for cancellation of the loan which was agreed to. In one case, the project was sought to be revised by the sugar mill. In three cases, the pre-disbursal requirements were not complied with.

As far as cane development loan is concerned, out of 48 cases approved in the period 1.4.1995 to 31.3.2001 in 15 cases no instalment of the loan was released. In these 15 cases, the loan could not be disbursed as the pre-disbursal requirements such as furnishing of security etc. were not complied with.

As far as short term cane development loan is concerned out of 249 cases approved, loan was not disbursed in 70 cases as the sugar mills did not comply with the pre-disbursal requirements even after extension of validity of the approval.

(c) With a view to facilitate the disbursal of loan as provided in the Sugar Development Fund Act, 1982 amendments to the Sugar

Development Fund Rules, 1983 were notified on 12.2.2001 clarifying the position with regard to dues on account of SDF and Levy Sugar Price Equalisation Fund. Steps have also been taken to expeditiously process the applications received for loans from the Fund for modernisation and cane development. As a result, no applications for loan for modernisation that is complete in all respects is pending as on 30.6.2002.

During the year 2001 -02 and 2002-03 the sanctions/disbursements from the fund are as follows:

(Rs. in crores)

	2001-02		2002-03 (as on 15.7.2002)	
	Sanctioned	Disbursed	Sanctioned	Disbursed
(i) Loan for Cane Development	33.72	8.33	11.69	2.56
(ii) Loan for Modernisation/Rehabilitation	178.63	128.52	27.70	37.20*
(iii) Grants in aid for research schemes	1.61	1.64	Nil	0.03
(iv) Buffer Subsidy	Nil		Nil	

*Includes disbursal in respect of loans sanctioned in previous years.

Further, with a view to improve the viability of the sugar industry, Govt, has amended the Sugar Development Fund Act, 1982, to enable the Fund being also applied to:

(i) for making loans to any sugar factory or any unit thereof for bagasse based co-generation power projects.

(ii) for making loans to any sugar factory or any unit thereof for production of anhydrous alcohol or ethanol from alcohol.

(iii) for defraying expenditure on internal transport & freight charges on export shipments of sugar.

Rules have been notified on the matter of defraying expenditure on internal transport and freight charges to the sugar factories on export shipments of sugar with a view to promoting its export.